

RECEIVED

OCT 28 1991

Babcock & Wilcox

a McDermott company

I.P.P.

Power Generation Group

20 S. Van Buren Avenue
P.O. Box 351
Barberton, OH 44203-0351
(216) 753-4511

October 24, 1991

Intermountain Power Project
Department of Water & Power
City of Los Angeles
P.O. Box 111, Room 658
Los Angeles, CA 90051

Attn: Mr. J.W. Scofield

Re: Intermountain Power Project
B&W Ref: RB-614/615
Subject: Burner Quote

Gentlemen:

In response to our recent discussions with Mr. D. Fowler, B&W is pleased to requote fabrication and shipment (FOB jobsite) of 48 modified dual register burners (DRB's) for unit #1. Note that this offer replaces our previous quote (re: Palmberg to Scofield dated 10/15/91).

For reference, these modified DRB's are shown on B&W's Preliminary drawings 439669E and 438670E both dated 10-11-91 and on B&W sketch SK-100291, all of which have been submitted to IPP, LA previously. Engineering and material procurement for these DRB's are covered by B&W quote letters dated 8/30/91 and 9/12/91, both of which have been accepted by IPP.

Included in this quote is up to 200 manhours (25 mandays) of service support. This number is based on an estimate of 10 mandays of erection consulting, 10 mandays of burner tuning and 5 mandays of report preparation, etc.). Said manhours apply to normal work days of eight hours Monday through Friday including travel time from point of origin and return. All travel and living expenses are included. If overtime work is required, it shall be applied to the above allocation as follows:

Weekday overtime	1 1/2 hours for each hour worked
Weekend/holiday overtime	2 hours for each hour worked

Additional service support may be purchased by IPP at the published per diem rates in effect at the time this additional service is performed.

J. P. MUSTO	
S. E. FINNEGAN	✓
S. E. LEOPARDI	✓
S. E. SOUTH	
D. C. MURDOCK	
S. M. MATHIS	
D. A. PATTEE	
S. N. LOVELL	
H. ROYLANCE	
P. OMLOR	
C. WHITING	
D. WALKER	
FILE	10

A 1/2 B 91-3

62-3401.02.12

IP7_000141

Mr. J.W. Scofield
B&W Ref: RB-614/615
Page 2

October 24, 1991

Regarding NOx levels for these modified DRB's, should IPP be unable to control NOx to (or below) the levels stated in the old contract guarantee (see page 9-10 of P23-310 dated 12-4-81), B&W will send qualified engineers to the site to assist with necessary adjustments. The above stated remedy of sending required engineers will remain in force until three months after first fire or twelve months after shipment, whichever occurs first. This will be B&W's sole liability relative to NOx. In addition, should at any time there be any evidence that the burner/s have been modified by others, B&W will have no liability relative to NOx.

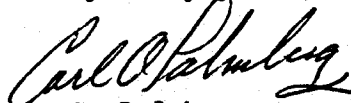
B&W's warranty for these modified DRB's is attached (one page).

B&W's fabrication/shipment schedule is also attached (one page).

Firm price for this work is \$648,250. Terms of payment are 50% upon start of shop fabrication, 50% upon final shipment. Invoices will be due and payable 30 days from date of issuance. This quote is valid for acceptance within 30 days; however, in order to have the burners on site in time for your Spring 1992 outage (starts 4/18/92), B&W needs written acceptance of this quote and release to proceed by 10/25/91.

B&W looks forward to working with IPP on this burner replacement project. Please advise any questions or comments, as well as your decision on this quote.

Very truly yours,



C.A. Palmberg
Project Manager

CAP008:nk

cc: R.K. Krikorian - IPP, LA w/att.
J.P. Musto - IPP, Delta w/att.
D.C. Langley - B&W, Denver w/att.

IP7_000142

Schedule - IPP Burners - Unit #1

<u>Company</u>	<u>Event</u>	<u>Date</u>
IPP	Fabrication Quote Approval & Release to Proceed	10/25/91
B&W	Complete Detail Engineering	11/1/91
B&W	Start Shop Fabrication	11/8/91
B&W	Shipment of First 24 Burners	4/10/92
IPP	Outage Starts	4/10/92
B&W	Shipment of Remaining 24 Burners	4/17/92

CAP - 10/24/91

IP7_000143

WARRANTY

The COMPANY warrants that the modified Dual Register Burners as described in this quote shall be free from defects in workmanship. This Warranty shall terminate one (1) year from the date of initial operation (first firing) or eighteen (18) months after completion of shipment of the burners, whichever occurs first.

In the event of noncompliance with this Warranty, the COMPANY shall, at its option, modify, adjust, repair or replace FOB jobsite (on a straight time basis only) any part of parts of the burners which fail to conform to such warranty.

If the COMPANY cannot or does not modify, adjust, repair or replace a defective part within a reasonable time after written notice of such defect is received by the COMPANY, or if an emergency exists rendering it impossible or impracticable for the PURCHASER to have the work performed by the COMPANY, THE PURCHASER, after written notice to the COMPANY, may make or cause to be made such modification, adjustment, repair or replacement, in which case the COMPANY will reimburse the PURCHASER for the reasonable cost thereof (on a straight time basis only).

This warranty does not cover the effects of normal wear, tear, deterioration or abuse of the burners; or the effects of abrasion, erosion, or corrosion; or the effects of improper storage or erection; or operation or maintenance not in accordance with the COMPANY's Operating Instructions and other conditions of service specified, and in accordance with generally accepted utility practice; or the effects of heat or thermal expansion.

The Company shall have no obligation hereunder until the PURCHASER has made the burners available for any repair or replacement required. Further, the COMPANY shall not be responsible for equipment or parts furnished by others or repairs or work done by others unless the same is specifically ordered by the COMPANY.

The sole liability of the COMPANY and the exclusive remedy of the PURCHASER arising out of the manufacture, sale, furnishing or erection of the burners hereunder or its use whether arising out of contract, tort (including negligence), strict liability, or otherwise, shall be the modification, adjustment, repair or replacement as set forth above.

IN CONSIDERATION OF THE ABOVE EXPRESS WARRANTY, ALL OTHER WARRANTIES, OTHER THAN TITLE, EITHER EXPRESSED OR IMPLIED, STATUTORY, EQUITABLE, WRITTEN, ORAL OR ARISING UNDER CUSTOM OF TRADE, INCLUDING WITHOUT LIMITATION THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE EXCLUDED FROM THIS BURNER OFFERING.

CAP5264

CAP 9/30/91

IP7_000144